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CENTRAL INTELLIGENCE AGENCY
NATIONAL FOREIGN ASSESSMENT CENTER

29 February 1980

MEMORANDUM

Paraguay: Political Background

Overview

Paraguay is a predominantly agricultural country that traditionally has been governed by authoritarian regimes. Constitutional guarantees have been suspended under state of siege provisions for the last fifty years. President Alfredo Stroessner, an Army general, has ruled under these provisions since 1954 and has not permitted an effective challenge to his authority. He governs primarily through the political apparatus of the majority Colorado Party, with the active support of the armed forces and the police. []

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The executive branch exercises complete control of the government without checks or balances from the judicial system or the legislature, despite constitutional provisions to the contrary. Opposition elements not amenable to manipulation are denied free participation in the political process. Affiliation with the official party is often a prerequisite for those who wish to advance economically, politically, or socially. []

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Current Setting

The country is experiencing unprecedented economic prosperity from the development of hydroelectric projects and agricultural exports. Moreover, the government's

This memorandum was prepared by [] Latin America Division, Office of Political Analysis, in response to a request by the Assistant Secretary of Commerce. It has been coordinated with the Office of Economic Research. Information in this memorandum includes reports received through 29 February 1980. Questions and comments may be addressed to the Chief, South America Branch, []

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laissez-faire economic policies permit nearly all social classes to reap some benefits from the new profits. []

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The growing prosperity, however, may actually weaken the current leadership. Sharp inflation, financial scandals, and intra-elite conflicts have highlighted the government's lack of competence. Economic corruption has always been a major characteristic of the Stroessner regime, but it has reached unprecedented levels and resulted in growing popular disgust with the government. []

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Concurrently, the new wealth has produced an entrepreneurial class that is increasingly beyond the control of the regime. Immense spoils are suddenly available, but Stroessner is no longer the sole arbiter of their distribution. He seems unable either to discipline the competing elements within his own entourage or to control the new group of powerful businessmen. []

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Outlook

Although Paraguay's human rights record has shown some improvement over the past two years, prospects for reform or democratization of the current system are poor as long as Stroessner remains in office. The regime's gradual loss of ability to control events augurs a long, slow decline in Stroessner's power rather than any abrupt change in leadership. No candidate to succeed Stroessner is currently identifiable, but any initial replacement would probably come from the military. []

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